

## MINUTES

### LAFCO REGULAR MEETING

Wednesday, June 11, 9:00 a.m.

Planning Commission Hearing Room, Hall of Administration

10 Civic Center Plaza, Santa Ana

*(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)*

**1. CALL TO ORDER**

**Chair Arlene Schafer** called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:02 a.m.

**2. PLEDGE OF ALLEGIANCE**

**Commissioner Susan Wilson** led the pledge of allegiance in honor of the brave men and women serving our country overseas.

**3. ROLL CALL**

The following commissioners and alternates were present:

- **Commissioner Randal Bressette**
- **Commissioner Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Susan Wilson**
- **Alternate Commissioner Robert Bouer**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner Charley Wilson**

The following LAFCO staff members were present:

- General Counsel Clark Alsop
- Executive Officer Dana M. Smith
- Assistant Executive Officer Bob Aldrich
- Project Manager Ken Lee
- Policy Analyst Kim Koeppen
- Policy Analyst Jay Wong
- Executive Assistant/Commission Clerk Danielle Ball
- Administrative Assistant Daphne Charles

**4. APPROVAL OF MINUTES**

a.) May 14, 2003 – Regular Commission Meeting

**MOTION:** Approve minutes from May 14, 2003 without revision (Randal Bressette)  
**SECOND:** Peter Herzog  
**FOR:** Randal Bressette, Peter Herzog, Arlene Schafer, Charley Wilson, Susan Wilson  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**5. PUBLIC COMMENT**

**Chair Schafer** requested public comments on any non-agenda item and received no response. She closed the public comment agenda item without any statements from the public.

**6. CONSENT CALENDAR**

- a.) Brookhurst ARCO Reorganization to the City of Anaheim (RO 02-02)
- b.) Planning Area 9A Annexation to the City of Irvine (CA 02-14)
- c.) Completion of Audit for Fiscal Year 2001-2002
- d.) Economic & Planning Systems, Inc. Contract
- e.) Legislative Report

**Commissioner Herzog** pulled the legislative report (consent calendar item 6e) for further discussion by the Commission.

**Commissioner C. Wilson** indicated that he would abstain from voting on item 6b.

**MOTION:** Approve consent calendar items 6a, 6c, and 6d (Randal Bressette)  
**SECOND:** Peter Herzog  
**FOR:** Randal Bressette, Peter Herzog, Arlene Schafer, Charley Wilson, Susan Wilson  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**MOTION:** Approve consent calendar item 6b (Randal Bressette)  
**SECOND:** Peter Herzog  
**FOR:** Randal Bressette, Peter Herzog, Arlene Schafer, Susan Wilson  
**AGAINST:** None  
**ABSTAIN:** Charley Wilson

## **MOTION PASSED**

- 6e.** **Commissioner Herzog** voiced his concern regarding AB 668. He said that while the staff report recommended supporting the bill with amendments, he recommended that AB 668 be a “watch” item for the Commission. He stated that the legislators receive a list of organizations that support and oppose specific legislative items and will not have visibility of any recommended amendments.

**Commissioner John Withers** entered the Commission meeting during **Commissioner Herzog’s** comments.

Executive Officer Smith asked if, in addition to changing AB 668 from “support” to “watch” status, **Commissioner Herzog** wanted staff to follow through with its recommendation to draft a letter proposing amendments and offering support if amended. **Commissioner Herzog** responded that, yes, such a letter should be drafted but without the offer of support.

**MOTION:** Approve consent calendar item 6e, amending AB 668 from “support” to “watch” status (Peter Herzog)  
**SECOND:** Randal Bressette  
**FOR:** Randal Bressette, Peter Herzog, Arlene Schafer, Susan Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

## **7. PUBLIC HEARING**

a.) Small County Islands Annexations to the City of Orange

- 7a.** Policy Analyst Kim Koeppen presented an overview of the City of Orange’s three applications to collectively annex eleven small, unincorporated islands comprising a total of 186 acres. She stated that, once annexed, the islands would receive municipal services, including police and fire protection, street maintenance and repair, and general government services, from the City of Orange. Ms. Koeppen added that both the City of Orange and the County agreed to utilize the master property tax exchange agreement, with 50.8% going to the city and 49.2% being retained by the County, and that the County agreed to transfer \$1.5M in road funds to the city post annexation to address infrastructure improvements and maintenance.

Ms. Koeppen emphasized that it was the strong collaborative efforts between the city, the County, LAFCO, and the island residents that made the annexation effort such a grand success story. She also mentioned the outreach efforts coordinated by LAFCO staff, including two large community meetings and six resident workshops to work through the community members’ concerns.

**Commissioner S. Wilson** expressed her amazement that, with over 1100 residents occupying the Orange islands, the Commission had received no requests to speak. She added that the residents' support of the annexations was the truest measure of staff's success in its vast outreach efforts.

Executive Officer Smith said that the residents' support was a stark contrast to what staff encountered during the first large community meeting, where more than 100 island residents presented to voice their opposition to the annexations. She said that the residents' main concerns centered on the misconception that property taxes would increase after annexation or that other city fees would significantly impact them.

**Commissioner Withers** asked if there was a mechanism in place to ensure that the \$1.5M in road funds that the city would receive from the County would be spent on infrastructure improvements within the islands. John Sibley, Assistant City Manager from the City of Orange, responded that the road funds would be subject to state audit. He added that the city's inventory of infrastructure needs in the islands was approximately \$10M. He said that the necessary improvements in the island areas would be prioritized along with the city's other infrastructure improvement projects and addressed accordingly.

Mr. Sibley thanked LAFCO staff for its efforts, especially in addressing community needs. He then introduced Irma Hernandez, assistant to the City Manager, to describe the ways in which the city intended to welcome the island residents to the City of Orange.

Ms. Hernandez described the partnership formed between the city and LAFCO to successfully bring these island areas to annexation. She stated that it was very important to the city that the residents didn't feel forced into the city but rather chose annexation to the city. She explained the city's facilitation efforts to make the address conversion process as easy as possible for the city's new residents. She indicated that the city would soon send a newsletter to the residents explaining changes in their municipal services, and thereafter would send a welcome packet from the city to each residence.

**Commissioner S. Wilson** asked for clarification on the property tax exchange, saying she was unclear as to why the County would be entitled to retain any portion thereof. Executive Officer Smith explained that the city would provide municipal services to the island residents following annexation but that the County would continue to provide a whole range of regional services, including public health, social services, property assessment, tax collection, statistics and data, etc. She added that, while the split varies from city to city, each taxpayer's tax dollars are divided similarly among the various area service providers, including the city, County, school and water districts, and so on.

**Commissioner Withers** noted that San Bernardino County recently completed an annexation where the County kept nearly all of the property tax revenue for itself, allocating next to nothing to the annexing city.

On behalf of the entire Commission, **Chair Schafer** commended staff on a job well-done.

**Commissioner Herzog** moved staff recommendations. **Commissioner S. Wilson** seconded the motion.

As a point of order, **Commissioner Bressette** indicated that the Chair would need to open the public hearing before the annexations could be approved by the Commission.

**Chair Schafer** opened the public hearing, requesting public comments from any member of the audience who wished to speak regarding the proposed annexations to the City of Orange. Receiving no response, she closed the public hearing without any statements from the public.

**MOTION:** Approve Orange islands annexations as detailed in staff's recommendations (Peter Herzog)  
**SECOND:** Susan Wilson  
**FOR:** Randal Bressette, Peter Herzog, Arlene Schafer, Susan Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**8. COMMISSION DISCUSSION**  
None

**9. COMMISSIONER COMMENTS**

**Chair Schafer** requested additional comments from the commissioners and received no response.

**Commissioner McCune** indicated that former Supervisor Cynthia Coad, a staunch advocate of the island's program, would have been quite proud of the Commission's progress in annexing the Orange islands.

**Chair Schafer** closed the commissioner comment agenda item without any additional statements from the Commission.

**10. INFORMATIONAL ITEMS**  
None

**11. CLOSED SESSION**

None

**12. ADJOURNMENT**

**Chair Schafer** adjourned the meeting at 9:35 a.m.

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DANA M. SMITH  
Executive Officer  
Orange County Local Agency Formation Commission

By: \_\_\_\_\_  
Danielle M. Ball  
Commission Clerk